

every right to manipulate the money market for their own ends so long as we permit them. They are not in business for the good of their health any more than we are. It is the system that is at fault, and not altogether the men who handle it; and I blame the public at large for submitting to such an iniquitous system as the private control of credit, since we are all victims of its unchallenged sway.

It is the system, Mr. Speaker, that is at fault, and it must be remedied if we are to meet the new conditions under which we are now living. Mr. Bell, in another paragraph of his most excellent address, points out that credit is like the sap which flows from the roots and gives life to the tree; interfere with this free flow and the tree becomes sickly and stunted, and if the condition is not remedied it will soon wither and die. Mr. Bell goes on to say.

The present industrial system may be likened to a tree, the branches of which are capital, labour management, transport, mining, and so on; all of which are useless without the sap of credit which rises from the roots through the trunk of finance to the most distant branches. At present the sap is not circulating from the roots and thus purchasing power is lacking. The industrial tree is therefore languishing because the proper conditions are denied it for functioning naturally. It is suffering from bad circulation of its sap, credit, which is the symbol of life in any healthy tree.

Credit, being the sap of our industrial tree, should not be in the control of any private individual or group of individuals but should be scrupulously guarded and controlled by the state.

We hear a great deal these days about a managed currency. In my opinion we have now a managed currency, but it is managed in the interests of those who control it rather than by the state in the interests of the people. To bring about the changes which we advocate may require some radical departures, it may require breaking well-established precedent. The Minister of Trade and Commerce in his admirable speech stated:

If we could restore the levels of 1928 for wheat, copper, paper, lumber and fish, we would restore prosperity to Canada.

He states again there must be a stabilization of price levels. That is true. But we must go farther; there must also be established a parity of price levels, in other words a fair exchange value between commodities. If we have to get back to the price levels of 1928 to bring back prosperity, in my opinion it can be brought about only by a measure of inflation; but, Mr. Speaker, if we should again reach 1928 price levels, the then important task before us will be to see that we have a state controlled currency to prevent these ever-recurring cycles of depression.

[Mr. Lucas.]

Sir Josiah Stamp said that every change in the price level means a change in the distribution of wealth. He also stated that the world was not ready to abolish the metallic base for currency at the present time.

The Minister of Trade and Commerce asked the question, on page 1909 of Hansard:

What is the cause of this drop in commodity prices?

And then he answered his question as follows:

Prices are expressed in terms of currency and in the leading countries of the world the value of currency is attached to gold. If gold is scarce or is being hoarded, if gold is in abnormal demand for debts, then inevitably commodity prices will fall, simply because people will be anxious to dispose of their commodities in order to secure gold to meet their obligations. We are confronted with this situation, and it is admitted by everyone that gold is scarce.

Now, Mr. Speaker, if gold is scarce, and if Sir Josiah Stamp is right in saying the world is not ready to abolish the metallic base, then the question arises how can we, in face of the shortage of gold, increase this metallic base so we may issue more currency to restore the 1928 price level. My answer is: by adopting the bimetallic base that served the world from time immemorial, and which was only abolished some fifty-five years ago. Even with a nationally controlled currency as suggested in our amendment and in order to meet the world requirements, it would possibly require a metallic base, and so I am going to suggest that the remonetization of silver and a return to the bimetallic standard would approximately double our currency and thus materially improve our present situation.

The hon. member for Weyburn (Mr. Young), speaking in this debate a few days ago, made this statement as reported at page 2123 of Hansard:

Gold was chosen as the standard of value because in every country, in every age and under all conditions it was the one commodity that men were willing to take in exchange for whatever they had to sell.

I was rather surprised to hear the hon. member make that statement, for I am sure he must know that prior to its demonetization silver was also freely accepted as a measure of value for what people had to sell. It seems almost impossible to reach an agreement amongst the nations of the world as to a new world currency, but may I say that when Britain over a century ago decided to abolish bimetalism and go on the gold standard, she did not wait for the rest of the world, but started out alone, and eventually